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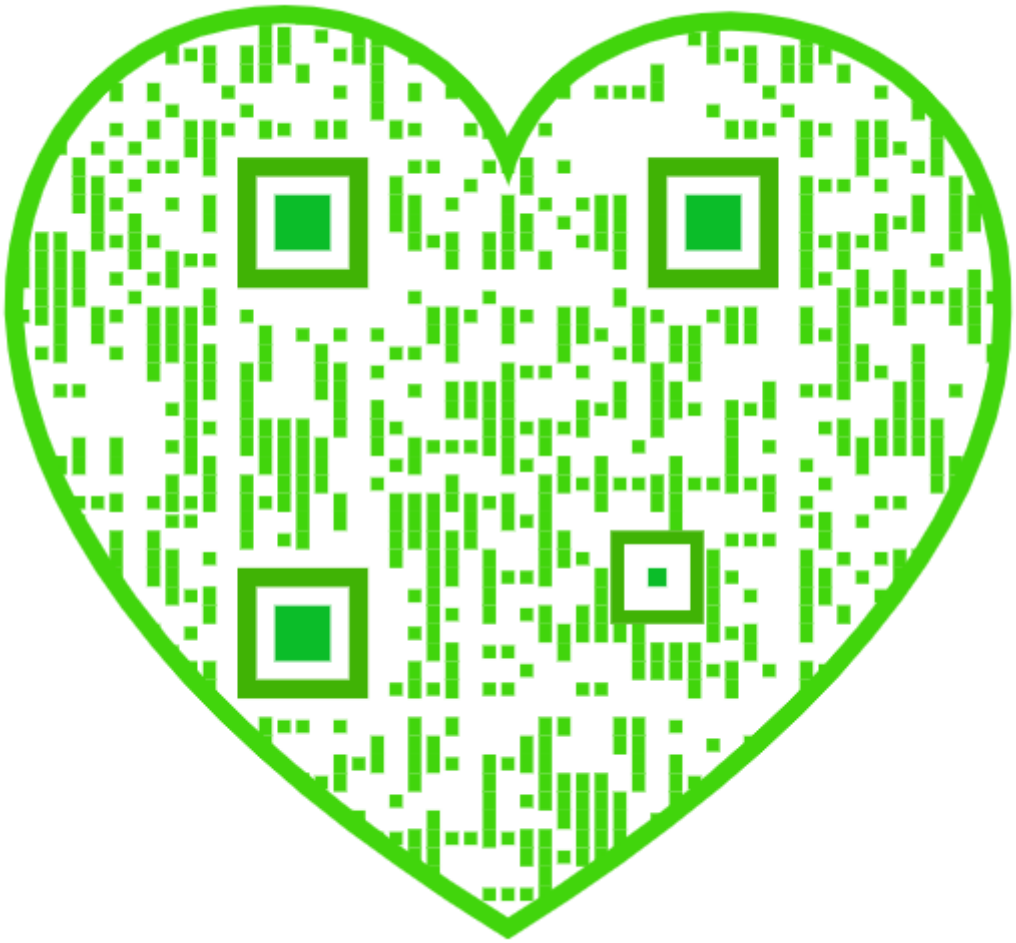
Economics Vocabulary for Teachers and Students



ECONOMICS VOCABULARY

FOR

TEACHERS AND STUDENTS.

BY

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"VOCABULARY IN ECONOMICS"

ABSOLUTE FREE TRADE, exists when no duties are imposed either on imports or exports.

ABSOLTUE UTILITY, is utility in general, without regard to the quantity of the commodity, and is measured by the importance of the want which is satisfied.

ACCIDENTAL CONSUMPTION, is when wealth is destroyed by fire, railway collisions, etc.

AD VALOREM DUTY' is a certain percent levied on the appraised market value of merchandise in the country from which it is imported.

AGENTS OF PRODUCTION, are land, labor and capital. Land and labor are the primary essential agents; capital is the secondary agent. These agents are sometimes called the factors of production.

ANARCHISM, is a theory that would do away with government entirely, leaving all activity to individuals acting voluntarily. In some respects anarchism is the diametric opposite of socialism; in other respects it is somewhat similar to socialism. Its principles are somewhat represented in this country by the Industrial Workers of the World. Pierre Joseph Proudhon was the founder of Anarchism.

ARBITRATION, is the settlement of a dispute by a third party, usually called an arbitrator or an umpire.

ARBITRATION, kinds of: (1) Conciliation; (2) Voluntary Arbitration; (3) Compulsory Arbitration.

AUTONOMOUS or INDEPENDENT PRODUCERS, are those undertakers who do not hire help; they do not work for wages, but furnish their own capital and sell their product hoping to make a profit.

BANK, is a corporation organized for the purpose of receiving, keeping and lending money and making possible the various forms of credit.

BANKS, Kind of: (1) Commercial; (2) Savings; (3) National; (4) State; (5) Private; (6) Reserve.

BARTER, is the simple exchange of one commodity for another.

BARTER, Difficulties of: (1) The double coincidence of wants and possessions; (2) The awkardness of making change; (3) The common denominator of values.

BIMETALLISM, is the legal use of both gold and silver at a fixed ratio to each other.

BLACKLIST, is a counter weapon used in the hands of the employer. In this case the employer refuses to hire certain employees whose names are included in the list of those held to be undesirable.

BOLSHEVISM, is a term used to describe the doctrine of the Bolsheviks (The name of a radical party in Russia.) The underlying idea of their system is that the state is all powerful and that all the essential forms of industry shall be controlled and regulated by it. The government is declared to be in the hands of those whom they call the "workers", and that means chiefly the manual laborers inthe towns, who, except for the peasants, are in the majority in Russia. People who employ others, or who live by income which they do not earn have no part in the government. Authority in this system is exercised through soviets. The Bolsheviki put themselves in power by a rule of blood and iron. Lenin, is the Bolsheviki lawgiver, the framer of the Bolshevik decrees and the author of the Bolshevik constitation.

BOND, is a secured obligation, promising to pay for value received, a sum of money at a certain time with interest, payable at certain intervals and at a fixed rate.

BONDS, Kind of: (1) Registered; (2) Coupon.

BOYCOTT, is a combination to suspend dealing with another party and to persuade or coerce others to suspend dealings in order to force this party to comply with some demand, or to punish him for non compliance in the past.

BOYCOTT, Kinds of: The simplest form of boycott is that in which a group of persons agree to have no dealing with some other party against whom they have a grievance. A more complex and common form is one involving third parties who are not directly interested. The third form of boycott is the "unfair list' or "we don't patronize list.' In this the labor periodical actually pulishes the names of firms that do not provide fair conditions for their employees and thus urges the public not to purchase their goods. The fourth form of boycott is negative in character and is known as the "fair list' or 'white list". In this a label is placed on goods made by union men in union shops. Members of the union and others are urged to purchase only those goods which bear the union label.

BRASSAGE, is the actual cost of coinage.

BY-PRODUCTS, are the wastes of industry, which by special process are converted into economic goods. Perhaps the best known utilization of by products has come within the development of the cotton seed oil industry. In 1860 cotton seed was garbage; in 1870, fertilizer; in 1880, cattle food; in 1890, table food.

CAPITAL, is wealth used for the production of more wealth. It any kind of ealth, aside from land, which a man uses in his business for the purpose of getting an income; is any product of past labor used in further production. Capital is accumulated only through abstinence; meaning that we choose wealth creating goods instead of pleasure creating goods.

CAPITAL, Kinds of: (1) Fixed; (2) Circulating; (3) Free; (4) Specialized.

CAPITAL, Steps necessary to create: ()) Income must be above line of bare subsistence. (2) Income must exceed outgo. (3) The surplus must be invested.

CAPTAINS OF INDUSTRY, are the men who have shown themselves great organizers and managers of business enterprises. They may be and usually are independent producers, but they also, frequently give their services to a great corporation, in which they are usually interested, and receive a salary.

CIRCULATING CAPITAL, is the capital which is intended to be used but once, and in using is either destroyed or is changed into other forms of capital.

CIVILIZATION, is the process of discovering new wants and means to satisfy them. Material civilization consists largely in wanting many things and learning how to use them. Moral civilization consists in perfecting the duties and enlarging the circle of brotherhood. ff

CLEARING HOUSE, is essentially a banker's bank, where banks make their payments and collect their obligations from one another.

CLOSED SHOP, is simply an understanding that only union members will be employed in the establishment.

COINS, are stamped and certified pieces of metal.

COINS, Kinds of: (1) Standard. (2) Subsidary. (3) Token.

COLLECTIVE BARGAINING, means that the individual relies upon the union rather than upon himself in the matter of adjusting wages, hours and conditions of labor with employer. The Collective bargaining tends to level the general level of wages and also tends to establish a minimum wage. There is no competition among the wage earners and they are not permitted to bid as the sweat shop districts.

COLLECTIVEISM, is a name which many socialists of recent years have favored to designate their program.

COMFORTS, include everything which, though not absolutely necessary for health and strength,can hardly be dispensed with in any society where life is really worth living. Cushions or upholstered furniture, spring mattresses, etc, can hardly be called absolute necessaries, and yet they would be considered almost indispensable by the average family.

COMMON STOCK, is the kind most usually issued by a corporation and carries no guarantee of a specified dividend.

COMMUNISM, is a type of social organization in which all wealth including both producers goods and consumers goods, is owned

and controlled by the community. It differs from Socialism in that the latter proposes that the community shall own and operate only producers' goods, leaving the consumers' goods to be owned and enjoyed by individuals. Communism has never been tried on a large scale, but there has been many small experiments. It has been advocated by many philosphers, both ancient and modern. Many pictures have been drawn of ideal societies in which communism was the outstanding feature, such as: Plato in his "Republic" Sir Thomas Moore in his "Utopia"; Francis Bacon in his new 'Atlantis'; Tommaso Companello, in the 'City of the Sun". In more recent times we have such books as "News From Nowhere" by William Morris "The Co-operative Commonwealth in its Outlines", by Laurence Gronlund; and "Looking Backward" by Edward Bellamy.

COMPETITION, is the effort of individuals to produce and exchange goods on terms most advantageous to themselves.

COMPLEX or SUCCESSIVE DIVISION OF LABOR, exists when there is a splitting up of the several operations all belonging to one one stage of production; as in making shoes, one sews leather, one stitches it, one puts on heels, another soles, etc.

COMPOSITE DEMAND, exists when one thing is wanted for many purposes; as, corn is wanted for bread, stock feeding, etc.

COOPERATION, is consciously working aogether for a common end. Its chiefs successes have been achieved in merchandizing: that is in buying and selling.

CONCILIATION, is a method for settling labor disputes. If the parties cannot agree, a third party is chosen (conciliator) and he tries to bring the parties to mutual understanding or agreement. It implies persuasion, not force. It means investigation, not award.

CONSUMERS, are those who use goods.

CONSUMERS, Classification of: (1) Productive, those giving material service and personal service, (2) Unproductive or independent, such as defectives and parasites.

CONSUMERS GOODS, are those goods that satisfy desires directly.

CONSUMERS GOODS, Kinds of: ()) Necessaries. (2) Comforts. (3) Decencies. (4) Luxuries.

CONSUMPTION, includes all processes by which wealth is destroyed; is the direct satisfaction of human wants by the enjoyment of the utilities in goods; is the end and means of production.

CONSUMPTION, Kinds of: (1) Productive. (2) Non-Productive.

CONSUMPTION GOODS, are those goods which are used for the enjoyment we have in using ; e. g., a pleasure boat, a pair of skates.

CONTEMORANEOUS or SIMPLE DIVISION OF LABOR, exists when the workmen carries through the whole of one stage of production, as a tailor, carpenter, etc.

CORPORATION , is an association of individuals, recognized under the law as a single artificial person.

CORPORATION, Advantages of: (1) Limitation of liability. (2) Large scale business. (3) Ability to secure capital. (4) Efficiency in management. (5) Permancy and stability. (6) Facility of transfer of ownership.

COUNTERFEITING, is the making or passing of false coins or paper money

COUPON BONDS, is a bond that has interest coupons atttched. The coupon are payable to bearer, and are dated at regular intervals.

CREDIT, is a transfer of goods for a promised equivalent is the power to command present wealth or services in exchange for some asurance of a future payment or return; is protracted exchange.

CREDIT, is derived from the Latin word credo, meaning I believe or confidence.

CREDIT, Kinds of: (1) Book credit. (2) Notes. (3) Checks. (4) Bills of Exchange. (5) Banking operations.

CREDIT, Advantages of: (1) Economizes the use of precious metals. (2) Collects capital. (3) Allows capital to be used through more productive hands. (4) Is convenient. (5) It makes a long distance trade possible.

CREDIT, Disadvantages of: (1) Overstrained credit results in commercial crises and panics. (2) It promotes indebtedness on the part of the poor. (3) Leads to extravegance. (4) Allows to much stock watering and speculation.

CRISIS, Kinds of: (1) Industrial. (2) Financial.

CRISIS, Theories of: See Jevons Sun Spot Theory.

CURRENCY, is the proper term for money in the popular use of the word.

DECENCIES, are those articles of consumption which the habits or customs of one's neighborhood or one's class prescribes, and without which the individual or the family would feel that it could scarcely maintain its position of respectability.

DEFECTIVES, are unproductive consumers, who are physically or mentally unable to earn their own living; such as infants, insane, the aged, etc.

DEFERRED PAYMENTS, are those which are not required to be paid at the time of the exchange, but are postponed until some future time.

DEMAND, is an effective desire; that is not only a desire for a certain article, but the ability to gratify the desire.

DEMAND, Kinds of: (1) Composite. (2) Joint.

DEMAND, Kinds of: (1) Elastic. (2) Inelastic.

DEMONITIZATION, is the discontinuance by government of the use of coin and its official withdrawal from circulation.

DEPENDENTS, are members of socitey who secure a living withoutt production, by enjoying the fruits of other people's labor and giving no equivalent in exchange.

DEPENDENTS, Classification of: (1) Defectives. (2) Parasites.

DIMINISHING RETURNS, law of: in the cultivation of any tract of land a point is sure to be reached when the proportional returns of labor and capital begin to fall off. This law of diminishing returns has been called the great law of agricultural production. This same law applie to mines.

DIMINISHING UTILITY, Law of: Successive doses of the same commodity yields diminishing utility; is that as identical units of a good are consumed the satisfaction derived from any unit is less than the satisfaction derived from the preceding one.

DIRECT TAXES, are those taxes laid upon parties who are intended to bear the sacrifices.

DISTRIBUTION, is the division of wealth among those who had a share in producing it.

DIVISION OF LABOR, is a system by which an industry is separated into two parts or processes which are assigned to different workingmen or groups of workmen; it is giving to each group of workmen some particular part of work and letting him give his whole time and strength at it; it is but a social form of cooperation for the larger good of each and all.

DIVISION OF LABOR, Stages of: (1) Simple or Contemporaneous. (2) Complex or Successsive.

DIVISION OF LABOR. Advantages of: (1) Development of dexterity. (2) Saving of time in apprenticeship. (3) Saving of time in changing work. (4) Adaption of labor to individual fitness. (5) encouragement of inventions. (6) Increases the amount of goods (7) Makes better quality of goods. (8)Lowers the price of goods. (9) Makes shorter hours and more time for recreation.

DIVISION OF LABOR, Disadvantages of: (1) Work more monotonous and fatiguing. (2) Gives employment to women and children. (3) Makes men narrow and ineffcient in any other line of work than that in which they are employed. (4) Gives rise of dependence of man upon man. (5) Often deprives men of their employment.

DOUBLE TAXATION is taxing an individual or different individuals twice for the same thing, e. g. land tax and a mortgage on the same land.

DUTIES OR CUSTOMS, are taxes laid on goods imported from foreign lands.

DUTIES, kinds of: (1) Ad valorem. (2) Specific.

ECONOMICS, is that science which has to do with the wealth getting and wealth using activities of man; is the science of the laws of production and distribution of wealth of the nation; is the study of the dealings of men with one another which relates to earning a living.

ECONOMIC GOODS, are goods which because of their scarcity command goods in exchange; such as food and clothing.

ECONOMIC HISTORY, is the story of the developement of man in his want satisfying activities, the story of man's discovery of new wants and how to satisfy them .

ECONOMIC HISTORY, Stages of: (1) Hunting and fishing stage, illustrated by the life of the American Indians; (2) the pastoral or herding stage, illustrated by the life of Abraham, Isaac and Jacob, and much of the Oriental life; (3) The agricultural stage, illustrated by the farm life of the majority of the English people before the fourteenth century; (4) The manufacture or commerce stage, including gild and domestic periods of English life from 1150 to 1769; (The industrial or factory period), characterized by the application of steam as a motive power and the massing of employees in great mills and factories. It began about 1769; (6) The trust stage, characterized by the combination of small concerns into great syndicates, and the attempt to establish vast monopolies. The industrial life in the U. S. during the last century, illustrates this stage.

ECONOMIC MONEY, must have a market value as a commodity, equal to its face value as coin, and it must perform all the functions of money.

ECONOMIC INTEREST, is actual return to capital on account of its vaule creating power; is that which the owner receives in re-

turn for capital which he owns and which he uses, or has invested in his own business.

ECONOMIC RIGHTS, are those which belong to man in connection with satisfying his material wants, or getting a living. These rights are limited by the rights of other men and the good of society.

ECONOMIC WANTS, are those whose gratification commands a price; are those which are satisfied by things which are objects of exchange.

EFFECTIVE, (FINAL or MARGINAL) UTILITY, is utility with special regard to the quantity of the commodity and the present needs of the individual. It is measured by the lowest wants satisfied by the available goods.

EFFICIENCY OF LABOR, varies with the individual, and for the following reasons: (1) Heredity; (2) Food; (3) Sanitary surroundings; (4) Intelligence; (5) Hopefulness.

ELASTIC AND INELASTIC DEMAND, demand may be elastic or or inelastic, that is the amount demanded may change readily or slowly with the change of price. The demand for necessaries is inelastic and the demand for luxuries elastic.

EMBARGO, is a duty on goods sent out of this country.

ENGEL'S LAW, shows that as the income of a family increases; (1) the percent for the expendture of of food decreases; (2) The per cent of the expenditure or clothes remains approximately the same; (3) The expenditure for rent, fuel, and light is variable; (4) the percent of expenditure for education, recreation, etc., increases.

ENTREPRENEURS, are men who undertake to supply the needs of the public and sell their products with the hope of making a profit. They furnish the capital and may or may not hire laborers. They are also called undertakers and proprietors.

EXCHANGE, is the double transfer of goods; it is the transfer of ownership for a consideration; it is trade.

EXCISE TAX, is an inland tax on commodities of home production or consumption.

EXCISE TAX (INTERNAL REVENUE TAX), is a tax laid upon articles manufactured in our own country, such as tobacco.

EXTERNAL GOODS (objective goods) comprise all of man's environment that has utility; e. g. houses, cattle, air.

FAIR PRICE, the current market rate is what people usually have in mind when they speak of a fair price.

FEDERAL FARM LOAN SYSTEM, was inaugurated in 1916. The general organization of this system resembled that of the Federal Reserve System. It is presided over by a central body known as the Federal Farm Loan Board. The country was divided into twelve districts, and in each district a city was selected as a headquarters for the Farm Land Bank. The Farm Loan Bank was to operate throughout its own district in the organization of local Farm Loan Associations.

FEDERAL RESERVE SYSTEM. Under this act of 1913, there was created under the Treasury Department of the United States, a Federal Reserve Board consisting of five members, besides the Secretary of the Treasury and the Comptroller of Currency. This Board was charged with the general administration of the national banking system. The country was then divided into twelve districts, and within each district a city was selected to be called a Federal Reserve City. The cities chosen were Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kannsas City, Dallas and San Francisco. This law required every National Bank to become a member of its regional bank and permitted state banks to become members providing they carried on their business according to certain specified requirements laid down in the Reserve Law.

FIAT MONEY, is that form of money issued without backing.

FINAL CONSUMPTION, is the use of goods for the satisfaction we find in using them; e. g., driving for pleasure, eating fruit.

FINANCIAL CRISIS, is an occasion when the money market be-

comes suddenly demoralized, confidence disappears, and credit shrinks

FIXED CAPITAL, is that kind of capital which is intended to be used more than once, as machinery, railroad trains, etc.

FORMS OF CAPITAL, are subsistence, tools and materials.

FORM UTILITY, exists when the article changes its form and may be converted into a finished product ready for man's use.

FREE CAPITAL, is a capital which serves a variety of uses, such as coal.

FREE COMPETITION, is such competition as is not subjected to any unfair restriction or interference, It is sometimes called perfect competition.

FREE GOODS, are goods which on account of their abundance command no price.; e. g. air sunshine.

FREE TRADE, (in common parlance) is the policy of levying duties for revenue only.

GENETIC INDUSTRIES, are those in which men make conscious and systematic efforts to direct the biological processes of reproduction so as to increase the supply of desirable plants and animals.

GENETIC INDUSTRIES, kinds of: (1) Agriculture (plant and animal breeding), (2) Forestry. (3) Fish culture.

GOODS, comprises all things that have utility.

GOODS, Kinds of: (1) Economic. (2) Free.

GRADUATED TAX, is one whose rate of taxation increases as the value of the property to be taxed increases. Our national income and inheritance taxes are based on this principle.

GRATUITUOUS COINAGE, is a free coinage, that is no charges are made.

GRESHAM'S LAW, is that bad money drives out good money; cheaper money drives out the dearer money.

HORIZONTAL MANAGEMENT, is a union under single management of a number of enterprises of the same sort.

INCOME TAX, a tax levied on thet income of citizens.

INDIRECT TAXES, are those whose burden is generally borne by other persons than those from whom the tax is collected.

INDUSTRIAL DEPRESSION, is a general slowing down of production because of an inability to sell goods or to get satisfactory prices for them. Disproportionate production and overspeculation are usually the cause of these industrial depressions.

INHERITANCE TAX, is a tax collected on estates as they pass into the possession of heirs. This tax almost always bears a progressive rate.

INTEREST, is the reward paid for the use of money; is the price paid for the use of capital; is the capitalist's share of the product.

INTEREST, Law of: Interest is determined by the productivity of capital in the hands of the marginal investor.

INTEREST, Kinds of: (1) Loan. (2) Economic.

INTEREST, Theories of: (1) Demand and Supply theory; (2) Productivety Theory; (3) Abstinence Theory; (4) Austrian Theory.

INTERNAL GOODS, (Subjective goods) comprise all desireable parts faculties, conditions, and qualities of human beings.

INTRINSIC VALUE, is the qualities of goods that makes them desirable, and by quality we mean their capacity for service or pleasure, and this makes them desirable and hence valuable. The intrinsic value of a hat is simply hat service or hat satisfaction. The intrinsic value of money is its exchange value.

The term is used in respect to money more than in any other way.

JEVON'S SUNSPOT THEORY, is that the observed recurrence of sun spots every ten or eleven years explains the recurrence of crises. Jevon maintained that the sunspots indicated variation in the heat from the sun; this affected vegetation and crops on the earth, which in turn affected the course of industry.

LABOR, is human exertion directed toward the production of wealth; is human exertion of mind and body undergone with the object of creating utilities; is human effort voluntarily put forth for the production of goods.

LABOR, Kinds of: (1) Productive. (2) Non productive.

LABOR ORGANIZATIONS, are a continuous association of wage earners for the purpose of maintaining or improving the conditions of their employment.

LABOR ORGANIZATIONS, Kinds of: (1) Labor union. (2) Trade union. (3) Industrial union.

LABOR UNION, is a type of organization which attempts to organize all its laborers, regardless of their trade or occupation. The Knights of Labor had an organization of this type, and lately the Industrial Workers of the World have attempted a similar type of organization.

LABOR UNIONS, Advantages of: (1) Simplifies business relations. (2) Americanizes and educates foreigners. (3) Elevates the character of their workmen. (4) Encourages thrift and economy. (5) Affords protection for the family in case of death, sickness and accidents.

LABOR UNIONS, disadvantages of: (1) Places all men on a common level. (2) Individual advancement is prevented. (3) Individual liberty is restricted. (4) Lowers the standard of citizenship. (5) Is the source of discontent.

LABORERS, Classified: (1) Wage earners. (2) Undertakers or (Entrepreneurs) (3) Independent or (Autonomous) producers.

(4) Employers.

LABORERS, Kinds of: (1) Productive. (2) Non productive.

LAND, comprizes all natural resources which can be used in production and includes materials and forces; is any gift of nature which is used in the production of goods

LAND, Services of: (1) Furnishes standing room; (2) contains those elements needed by plant life; (3) Contains products below its surface such as coal and iron.

LAND, classification of: (1) Rent lands; (2) Free lands.

LARGE SCALE MANAGEMENT, Kinds of: (1) Horizontal. (2) Vertical.

LARGE SCALE PRODUCTION, advantages of: (1) Better opportuntiy for the use of machinery; (2) Less expense for office force accordingly; (3) More elaborate division of labor is feasible; (4) Supplies can be bought cheaper; (5) Disposal of output is less accordingly; (6) Better chance for experimenting with new devices and methods; (6) Advertising is more effective; (7) By-products can be utilized.

LA SALLE'S IRON LAW, Wages tend to fall to the level of that standard of living which just provides the necessities of life.

LEGAL TENDER, is that which the law compels a creditor to receive in payment of debts.

LIBERALISM, is a program whereby industry shall be carried on in any way that seems to promise desireable results, preference being given to free and voluntary business arrangements, rather than compulsory. In short the liberalist is willing to trust men with the power of free contract whereas the socialist relies mainly in the government power of compulsion. The liberalist program permits the private ownership of capital, and receipt of interest as a private reward, on the ground that the accumulation of capital is productive service and is useful to society.

LOAN INTEREST, is simply contract interest; it is the amount paid the lender by the borrower for the use of the capital.

LOCK OUT, is the capitalist's way of striking. It consists of locking the doors of the factory and announcing that work will be discontinued until the laborers accept the terms offered by the employers.

LUXURIES, are articles of consumption which are not required for the physical health and strength of the people for their physical comfort, or by rule of society, but are wholly matters of individual indulgence..

MALTHUSIAN DOCTRINE. Dr. Malthus, an English clergyman, about the close of the 18th Century wrote a book claiming that population increased in geometric ratio while food increased only in arithmetical ratio. Therefore it was only a question of time when the world would be unable to sustain its population and men must starve.

MALTHUS THEORY, Criticisms of: (1) His theory applies only to a stationary society, because in a progressive society human invention and food supply may far outstrip any increase in population; (2) His theory makes no allowance for the increase in efficiency which may come with increased population, because increase of population makes possible better co-operation.

MATERIAL WEALTH, is that wealth which is transferable and for the enjoyment of which we are willing to undergo some sacrifice.

MARGINAL UTILITY, is the utility of the last unit; is the lowest utility of a commodity.

MINT PRICE OF GOLD, is the rate at which coin is given for bullion.

MONEY, is a medium of exchange; is a thing which by common consent of the business community, is used as the basis of commercial obligations; is any material which people generally will accept as a convenience in making a trade.

MONEY, Conceptions of; (1) Popular; (2) Legal; (3) Economic.

MONEY, Desirable qualities in: (1) Commodity value; (2) Universal acceptability; (3) Portability; (4) Durability; (5) Homogeneity; (6) Divisibility; (7) Stability in value; (8) Cognizability.

MONEY, Functions of: (1) Medium of exchange; (2) Measure of value; (3) Means of deferred payments; (4) Storage of value.

MONEY, Kinds of: (1) Coins: (a) gold; (b) silver; (c) nickel; (d) bronze. (2) paper: (a) gold certificates; (b) silver certificates; (c) treasury notes; (d) U. S. notes; (e) National bank notes; (f) Federal Reserve notes; (g) Federal Reserve Bank notes.

MONOMETALLISM, is the term applied to the use of a single metal as standard money. The U. S. has had the monetary gold standard since 1900.

MONOPOLIST, is a person or combination of persons (public or private) which has and uses the power of control of the market with regard to any commodity.

MONOPOLY, is the exclusive control of the market with regard to any commodity.

MONOPOLY, Kinds of: (1) Industrial; (2) Franchise; (3) Labor. (4) Public.

MISER, a covetous man who denies himself the comforts of life to hoard up money.

NECESSARIES, are goods which are required for the maintainance of physical health and strength, not only of mature man, but also of his family.

NOMINAL WAGES, are wages expressed in money and vary with the purchasing power of tmoney.

NORMAL VALUE, is determined by the cost of production of that part of the needed supply produced at the greatest disadvantage.

OBSTACLES TO PERFECT COMPETITION. (1) Unjust govern-

ment interference; (2) combinations of employers; (3) Combinations of employees; (4) Timidity; (5) Ignorance; (6) Custom; (7) Sentiment.

OBJECTIVE VALUE, is the amount of potential energy in material goods and that power of exchange. The objective value of coal is the amount of power it creates through its heating capacity and also the amount of economic goods it will exchange for on the market.

OCCUPATIONS, are ways of getting a living.

OCCUPATIONS, Kinds of: (1) Productive. (2) Unproductive.

OCCUPATIONS, Classification of: (1) Extraction; (2) Transportation. (3) Transformation: (4) Transfer of Trade, and (5) Personal service.

OPEN SHOP, is one in which no discrimination is made in the employment of union and non-union men.

PARTNERSHIP, is a simple combination of two or more individuals in the ownership and management of a given business in which each partner is fully responsible for the acts and liabilities of the group.

PARASITES, are unproductive consumers who are able to earn their own living, but prefer to secure goods through the labor of others without giving and equivalent, e. g. thieves, gamblers, tramps.

PERSONAL PROPERTY TAX, is a tax laid on movable and personal property

PERSONAL SERVICES, comprise all vendible but apparently immaterial utilities resulting from labor.

PERSONAL SERVICE, considered as an occupation, is the rendering of those utilities which are apparently immaterial and seems to be embodied in the purchaser, e. g. the occupation of a teacher singer, barber, etc.

PICKETING, is the stationing of a few strikers, called pickets, near

a factory or plant against which a strike is being conducted, in order that they may intercept any strike breakers, and endeavor to keep them from taking the places vacated by the strikers. Peaceful picketing has been theoretically considered legal but the courts have generally held that picketing implies intimidation and is therefore illegal.

POLL TAX, is a tax laid upon individuals as such without regard to his wealth or property; is a head tax.

POPULISM, is a program based on a theory of monopoly. Their slogan is: "Let the nation own the trust." They believe in government ownership and operation but think it should stop with trusts and monopolies. The populist approves of interest if it is a reward of unmonopolized capital.

POTENTIAL DEMAND, is a desire or want.

POTENTIAL UTILITY, is the unrealized but possible utility existing in things which are not wanted but liable to come into demand by a change in the attitude of consumers.

POTENTIAL WEALTH, comprises all unapproiated economic goods Most objects in nature are potential wealth.

PREFERRED STOCK, is that kind of stock that carries with it a guaranty of a definite dividend. This kind of stock is often issued in times of emergency to provide working capital or to pay debts.

PRICE, is the value of an article measured in terms of money; is the value of goods stated in money; is the economic measure of utility. Price is not set by desires, but by demand, (effective demand.)

PRODUCTION, is the development of utility; is the creation not of things, but of utilities by the application of mans power to the physical universe. This power of man is labor.

PRODUCTION GOODS, are goods used to aid directly in the production of more goods.

PRODUCTIVE CONSUMPTION, is the use of goods to produce more goods; such as the use of tools and materials to build a house.

PRODUCTIVE LABOR, is that kind of labor which yields a service or satisfies wants.

PRODUCTIVE GOODS, are those goods, that satisfy our desires indirectly.

PRODUCTIVE LABORER, is one who does what another person is willing to pay; is one who brings forth utilities.

PRODUCTIVE OCCUPATIONS, are those in which men produce the goods they enjoy, or their equivalents which they exchange for those they wish to enjoy.

PROFIT SHARING, is a scheme devised by employers to increase their output by giving the employees an interest in the product. This plan has been tried out by Henry Ford and has been successful.

PROFITS, is a surplus over and above production; is that part of the product which goes to the undertaker (entrepreneur) on account of his business ability; is the undertaker's share of the product; is the income of the independent business man who receives neither stipulated wages, rent, nor interest.

PROGRESSIVE TAX, See graduated tax.

PROPORTIONAL TAX, is a tax that imposes a fixed rate, irrespective of the total amount of property or income of each tax payer.

PROTECTION, is the policy of levying tariff duties for the purpose of restricting foreign trade in favor of home industries.

PROTECTION, Arguments in favor of: (1) The balance of trade argument; (2) The home market argument; (3) The infant-industries argument; (4) The standard of living argument; (5) The anti-dumping argument; (6) Military-supplies argument.

PROTECTION, Arguments against: (1) Puts an artificial price on commodities; ((2) Fosters monopolies; (3) Encourages unwise attempts to start industries that are not suited to the people or climate. (4) Isn't necessary in the U. S. (5) Is unconstitutional

REAL ESTATE TAX, is a tax laid on real estate.

REAL WAGES, are economic wages, and mean the purchasing power of a days wages; are wages reckoned in the commodities to be bought with wages.

REGRESSIVE TAXES, are those taxes in which the rate increases as the amount of property or income decreases.

RENT, is that part of the product which goes to the landlord, on account of the productiveness of the soil; is what is paid for the use of soil; is the normal return of land; is the money paid for natural resources.

RENT, rises from two fundamental conditions of land: (1) That of fertility; (2) That of position or location.

REPRESENTIVE WEALTH, is proof, sign, or evidence, of ownership in real wealth, e. g. deeds, mortgages, etc. Strictly speaking it is hardly to be considered as wealth, but simply as representive wealth.

REVENUE, is the general income of a state, derived from the annual taxes, excises, customs, etc.

REVENUE, Kinds of: (1) Direct; (2) Derivative; (3) Anticipatory.

SABOTAGE, is a strike on the job, that is, a strike without quitting work. It is a new weapon used by the I. W. W. in its battles with employers. They disable the machinery or spoil the products.

SCARCITY, is the insufficiency to satisfy desires; is the earmark of an economic good.

SCAB, is a workman who works for lower wages than, or under conditions contrary to those prescribed by the trade union; also one who takes the place of a workman on a strike.

SEIGNIORAGE, is the actual cost of coinage plus a commission.

SERVICES, are utilities resulting from labor.

SIMPLE DIVISION OF LABOR, See Contemporaneous Division of of Labor.

SINGLE TAX, is a policy under which all the public revenue is to be raised by a single tax on land values; land value in this case means the land itself irrespective of all improvements, such as ditching, fencing, the planting of trees and the erection of buildings. In short everything done on the land itself to improve the value of an estate is classed as an improvement and, under the single tax, would eb exempt from taxation. This leaves nothing except the location value and fertility to be taxed. The original advocates of the single tax were a group of French economists, called physiocrats.

SOCIALISM, is a plan of idustrial and political organization, by which all capital goods are owned and managed by society through government; is an industrial democracy established and controlled by the government; is coercive co-operation in production; is a program which calls for the socialization of the instruments of production.

SOCIALISM, Terms closely related: Communism, Populism, Anarchism, Liberalism, Collectiveism, Bolshevism.

SOCIALISM, Characteristic elements of: (1) The common ownership of the means of production; (2) The common management of the means of production; (3) The distribution of the products of industry by common authority.

SOCIALISM, The weakness of: (1) would not insure equality; (2) Would affect individual initiative and energy; (3) Would be unable to apportion labor of all conceivable degrees among the laborers; (4) Would be unable to organize such industries as agriculture; (5) Offers no definite plan for the rapid transition from individualism to socialism; (6) Underestimate the efficiency of the present system and individual responsibility.

SOCIALIST is one who believes that the community, the public, or the government should own and operate the means of production, leaving to individuals the ownership of most articles of consumption.

SOCIALISTS, Groups of: (1)Utopian; (2) Fabian; (3) Christain; (4) Marxian.

SOCIALISTS, have five objections to our present society: (1) Exploitation; (2) Wastefulness; (3) Evils of competition; (4) Lack of equal opportunity; (5) Growth of private monoplies.

SPECIALIZED CAPITAL, is capital which serves but few uses, e. g. nut meg grate.

SPECIFIC DUTY, is a specified amount levied on each article, as so much a yard or pound

SPENDTHRIFT, an extravagant spender.

STANDARD OF LIVING, is the minimum, in number and character, of the wants which a man insists on having satisfied; The standard of living depends upon environment, class, income and individuality.

STRIKE, is a concerted action whereby large bodies of workmen quit work at the same time.

STOCK, is the name given to the capital of a corporation.

STOCK, Kinds of: (1) Preferred. (2) Common. (3) Watered.

SUBSIDARY COINS, are coins of less denomination than the standard coin. Fifty cent pieces; twenty-five cent pieces and dimes are subsidiary coins.

SUCCESSIVE DIVISION of LABOR, See complex Division of Labor.

SUR TAX, is a progressive tax levied on incomes.

SWEATING SYSTEM, is a term used to describe a condition of labor in which a maximum amount of work in a given time is performed for a minimum wage and in which the ordinary rules of health and comfort are disregarded.

SWEATING SYSTEM, Essential factors of: (1) Long hours; (2) Low wages; (3) Working under unsanitary conditions.

SWEATING SYSTEM, Conditions leading to: (1) A crowded popu-

lation in large cities; (2) High rent; (3) Contract work.

SWEATING SYSTEM, Evils of: (1) Long hours; (2) Low wages; (3) Unsanitary conditions; (4) Spreading of disease; (5) Driving. (6) Subdivision of labor.

SWEATER OR CONTRACTOR, is one who makes a special business of employing imigrants. The best man fitted to be a contractor or sweater, is the man who is well acquainted with his neighbors, who is able to speak the language of several classes of immigrants, who can easily pursuade his neighbors, or their wives and children to work for him, and in this way can obtain the cheapest help. He has no connection with business interests, but acts as a go between for the manufacturers.

TARIFF, is a schedule of duties levied by an act of congress on goods brought into the country from abroad; on imports.

TAX, is a payment, usually in money, exacted by the government for the purpose of carrying on public enterprises for the common good; is a compulsory payment to the government for which the government does not return to the individual payer a commodity or a service.

TAX, Kinds of: (1) Personal property tax; (2) Poll tax; (3) Real estate tax; (4) Income tax; (5) Inheritance tax; (6) Single tax

TAX, Classification of (1) Direct; (2) Indirect.

TOKEN or MINOR COINS, are coins of smaller denomination than the subsidiary coins. They are made of inferior metal. The Nickel and five cent pieces are token coins.

TRADE UNION, is an organization of men who work at the same trade. The Brotherhood of Locomotive Engineers is an example of this kind of organization.

TRANSFER OR TRADE, is the business of buying and selling goods.

TRANSPORTATION, is changing the form or arrangement of goods in such a way as to add to their utility or value, e. g. all forms of manufacture, painting, sculpture.

TRANSPORTATION, is changing the location of goods is such a way as to give them additional utility or value, e. g. railroading,

express or dray business.

TRUST, is an organization of corporations (though it may include a few individual capitalists,) for the purpose of controlling the market.

UNDERTAKERS, See Entrepreneurs.

UNEARNED INCREEMENT, is that increase in the value of anything subject to a natural monopoly which is due, not to the expenditure of labor or skill by the proprietor, but to the general progress of society resulting in an increased demand for that thing.

UNPRODUCTIVE LABORERS, are those who engage in mere speculation and do not produce utilities. Paupers, thieves and swindlers are unproductive laborers as they are parasites, they contribute nothing, simply try to get things away from others, often they exert themselves but their activity is purely predatory.

UNPRODUCTIVE OCCUPATIONS, are those in which men do not produce the equivalent of what they enjoy, but secure part or all of their utilities at the expense of others.

USURY, is the charging of a higher rate of interest than that established by law.

UTILITY, is anything that satisfies a desire; is the power to satisfy a human want.

UTILITY, Kinds of: (1) Natural; (2) Form; (3) Time; (4) Place.

VALUE, is the power which a commodity has to command other commodities in exchange; is a term applied to different articles to represent their degree of desirability; is the relation of ratio between one thing and another; is the worth of a thing to the possessor.

VALUE, Kinds of: (1) Subjective; (2) Objective; (3) Intrinsic.

VALUE, Theories of: (1) Labor Theory; (2) Difficult of attainment theory; (3) Scarcity theory; (4) Utility theory.

VALUE, has two meanings: (1) Value in use; (2) Value in exchange.

VERTICAL COMBINATION, is the uniting of successive stages of an industry under singlement management. The U.S. Steel Corporation carries out this sort of combination on an enormous scale. This corporatiton owns vast mines of iron, coal and limestone, has its own railroads and steamships for transportation and makes its own furnaces. The American Sugar Refining Co., is another good example.

VOLUNTARY ARBITRATION, is a system in which the employer and employees agree to settle their differences peacefully. Usually each side selects an equal number of arbitrators and the arbitrators themselves select another to avoid the possibility of a tie vote. Each side then presents its case, and the arbitrators give their decision.

WAGES, is that part of the product which goes to the laborer; is the laborer's share of the product. Wages (strictly speaking) is the fixed amount guaranteed to the laborer by the employer in return for services performed.

WAGES, Kinds of: (1) Money; (2) Real.

WAGE EARNERS, are laborers employed at definite wages or salaries. They have no capital invested in the business, except occasionaly certain simple tools which they use in their work, e. g. the laborer's shovel and pick.

WASTED MAN POWER, (1) The idle; (2) The ineffectively employed; (3) The harmfully employed.

WATERED STOCK, is stock based on no real value. The chief purpose of issuing watered stock is to conceal from the public the true rate of profit earned by the company.

WEALTH, comprises all material, economic goods, which have been appropriated by man; is anything that satisfies a desire for the attainment of which we are willing to undergo some sacrifice, and which is exchangeable.

WEALTH, Characteristics of: (1) Utility; (2) Difficult of attainment; (3) Transferability.

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